1	2	3	4
20.	Punjab	12	74
21.	Rajasthan	20	28
22.	Tamil Nadu	105	791
23.	Uttar Pradesh	31	22
24.	Uttaranchal	2	5
25.	West Bengal	6	15
	TOTAL	328	1320

Textile industry adversely affected due to economic recession

1010. SHRI K. CHANDRAN PILLAI: Will the Minister of TEXTILES be pleased to state:

(a) whether the economic recession has adversely affected the Textile Industry in the country, particularly the export oriented garment manufacturing sector;

(b) if so, the details thereof;

(c) whether it is also a fact that large number of job loss are reported in these industrial units;

(d) if so, the details thereof; and

(e) the details of measures taken by Government to protect the industry and the employment of the workers?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): (a) and (b) Textiles Export Promotion Council/bodies have been reporting substantial slowdown in demand from overseas markets especially from Europe and the US. The domestic industry sources also have been reporting production cuts and capacity under-utilization. There are also instances where the overseas buyers have been asking for price reduction and delayed payments. Due to economic slowdown, exports of textiles and clothing may fall short during the current year. USA, which is India's single largest market for textiles and clothing products, as well as many other major buyer countries have been facing economic slowdown leading to adverse impact on India's exports.

(c) to (e) The Government is seized of the submissions of the industry and trade associations regarding potential loss of employment in the textiles and clothing industry consequential to declining demand in domestic and international markets. However, no specific or definite numbers have been reported so far. Some of the steps taken by the Government to support the textiles and garments industry include the following:—

(i) DEPB Scheme extended till May, 2009.

(ii) Income Tax benefit to 100% EOUs under Section 10B of I.T. Act, being extended by Government for one more year, beyond 31.3.2009.

(iii) Customs duty payable under EPCG scheme reduced from 5% to 3%.

(iv) Average export obligation under EPCG for Premier Trading Houses shall, as an option, be calculated; based on the average of last 5 years export, instead of the present 3 years.

(v) Exports made towards fulfillment of export obligation under EPCG Scheme shall be eligible for incentives/rewards under promotional schemes.

(vi) In case of textile and granite sector EOUs, payment of only excise duty on DTA sale. In case the use of duty paid imported inputs is upto 3% of the FOB value of exports.

(vii) Enhanced duty credit scrip of 2.5% (instead of the normal 1.25% under FPS) would be allowed for export of High value added manufactured products.

(viii) Inclusion of 10 more countries within the ambit of Focus Market Scheme.

(ix) Measures to reduce transaction cost to the exporters and procedural simplification have also been incorporated.

In addition to the above, the Government have announced on 7th December, 2008 and 2 nd January, 2009, packages of measures to stimulate the economy. So far as the textiles sector is concerned, the measures, *inter-alia,* provide for the following:—

(i) Additional allocation of Rs. 1400 crore to clear the entire backlog of Technology Upgradation Fund Scheme (TUFS).

(ii) All items of handicrafts to be included under 'Vishesh Krishi and Gram Udyog Yojana (VK&GUY)'.

(iii) Across-the-board cut of 4% in the *ad-valorem* Cenvat rate till 31.3.2009.

(iv) Interest subvention of 2% upto 31.3.2009 subject to a minimum of 7% per annum on pre and post-shipment export credit (since extended to 30.9.09 in the Union Budget 2009-10).

(v) Provision of additional funds for full refund of Terminal Excise Duty/Central Sales Tax.

(vi) Enhanced back-up guarantee to ECGC to cover for exports to difficult markets/ products.

(vii) Refund of Service Tax on foreign agent commissions of upto 10% of FOB value of exports as well as refund of service tax on output service while availing benefits under Duty Drawback Scheme.

(viii) Credit targets of Public Sector Banks are being revised upward to reflect the needs of the economy.

(ix) State Level Bankers Committee would be holding meetings for resolution of Credit issues of MSMEs.

(x) Guarantee cover under Credit Guarantee Scheme doubled to Rs. 1 crore with cover of 50%.

(xi) DEPB rates have been restored to pre November, 2008 levels and extended till 31.12.2009.

(xii) Duty Drawback on knitted fabrics has been enhanced retrospectively from 1.9.2008.

Integrated Handloom Development Scheme

1011. SHRI PRAKASH JAVADEKAR: Will the Minister of TEXTILES be pleased to state:

(a) whether there is a need to set up an Integrated Handloom Development Scheme and Marketing and Export Promotion Scheme;

(b) if so, the details thereof;

(c) whether Government has carried out any impact analysis of the earlier schemes; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN): (a) and (b) The Government of India has been implementing various schemes for the development of Handloom Sector and welfare of handloom weavers. Among others, Integrated Handlooms Development Scheme and Marketing and Export Promotion Scheme have been introduced for their implementation during the Eleventh Plan period. The Integrated Handlooms Development Scheme is the amalgamation of the essential components of 4 schemes *i.e.* (i) Deen Dayal Hathkargha Protsahan Yojana; (ii) Integrated Handlooms Training Project; (iii) Workshed-cum Housing Scheme; (iv) Integrated Handlooms Cluster Development Scheme while the Marketing and Export Promotion Scheme is the amalgamation of the (a) Marketing Promotion Programme, and (b) Handloom Export Scheme, which were implemented during the Tenth Five Year Plan.

(c) and (d) Evaluation study of various handloom schemes, like Deen Dayal Hathkargha Protsahan Yojana, Integrated Handloom Training Programme, Workshed-cum-Housing Scheme, Marketing Promotion Programme, Handloom Export Scheme etc. implemented during the Tenth Plan was carried out by an independent agency and on the basis of the study/recommendations made by the agency, various handloom schemes, including the Integrated Handlooms Development Scheme and Marketing and Export Promotion Scheme have been formulated, with or without modifications for their implementation during the Eleventh Plan.

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